

Message Text

CONFIDENTIAL

PAGE 01 OTTAWA 00813 052256Z

16

ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 ARA-06 AID-05 CIAE-00 EB-07

FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 DODE-00 PM-03 H-01 L-02

NSC-05 PA-01 PRS-01 SS-15 USIA-06 IGA-01 /090 W

----- 035756

R 052149Z MAR 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 5825

CONFIDENTIAL OTTAWA 813

EO 11652 GDS

TAGS ESTC CA CU

SUBJ CUBA TRADE: CHANGE IN ADMINISTRATION OF

ITEM 9001 OF CANADA'S EXPORT CONTROL LIST

REFS A) OTTAWA 58 B) STATE 32654

C) OTTAWA 580 D) OTTAWA 714

I TWICE IN THE PAST WEEK IN CONVERSATIONS WITH THE EMBASSY'S COMMERCIAL COUNSELOR, DENNIS EVANS, CHIEF, EXPORT AND IMPORT PERMITS DIVISION, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE (ITC), HAS MENTIONED HIS UNEASINESS ABOUT SUBJECT MATTER. HE REFERRED TO FEBRUARY 19 TELEPHONE CALL HE RECEIVED FROM RAUER MEYER, DIRECTOR OFFICE OF EXPORT ADMINISTRATION, USDOC, ASKING IF EVANS COULD DISCUSS SUBJECT WITH HIM IN WASHINGTON FEBRUARY 21. THIS, EVANS SAID, HE COULD NOT HAVE DONE IN ANY EVENT FOR REASON OF PRIOR COMMITMENTS; BUT, IF HE IS TO BE AUTHORIZED TO PURSUE THE MATTER WITH USG OFFICIALS, THEY WILL FIRST HAVE TO INFORM GOC REPS OFFICIALLY THAT THERE IS A PROBLEM AND WHAT THE PROBLEM IS. UNTIL WE DO SO, EVANS SAID, HIS SUPERIORS IN ITC WILL NOT BE CONVINCED THAT PROBLEM EXISTS. (SEE, FOR EXAMPLE, REF D REPORTING RECENT STATEMENT OF CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OTTAWA 00813 052256Z

CANADA'S EXPORT DEVELOPMENT CORPORATIONS'S PRESIDENT,

HUGHAITKEN, THAT GOC WILL NOT STAND IN WAY OF EXPORTS
TO CUBA EVEN WHEN THEY CONTAIN SOME U.S. CONTENT.)

2. THE PROBLEM AS EMBASSY AND EVANS UNDERSTAND IT
IS USG CONCERN ABOUT U.S.-ORIGIN COMPONENTS
EXPORTED TO CANADA WHICH LOSE THEIR IDENTITY IN
CANADIAN MANUFACTURED END-PRODUCTS EVENTUALLY
EXPORTED TO CUBA. NO CANADIAN EXPORT LICENSE
WOULD BE REQUIRED IN THAT EVENT, IT WILL BE
RECALLED FROM REF A. EVANS EXEMPLIFIED BY CITING A
COMPRESSOR OF U.S. ORIGIN INCORPORATED IN A HOUSEHOLD
REFRIGERATOR MANUFACTURED IN CANADA AND THEN SHIPPED
TO CUBA. UNDER PRESENT CANADIAN GUIDELINES (REF A),
THE EXPORTER OF THE REFRIGERATOR WOULD NOT HAVE TO
APPLY FOR A CANADIAN EXPORT LICENSE BECAUSE THE U.S.
COMPRESSOR HAD LOST ITS U.S. IDENTITY IN THE CANADIAN
REFRIGERATOR.

3. A DIFFERENT CASE WOULD BE PRESENTED, SAID EVANS,
IF THE COMPRESSOR ORIGINATING IN THE U.S. WAS TO BE
SHIPPED FROM CANADA TO CUBA AS A SERVICE OR REPLACEMENT
PART. IN THAT CASE, SAID EVANS, THE COMPRESSOR, NOT
HAVING LOST ITS U.S. IDENTITY, WOULD REQUIRE A CANADIAN
EXPORT LICENSE AND SUCH LICENSE WOULD NOT BE ISSUED
BY EVANS PRIOR TO HIS CONSULTING WITH THE U.S.
DEPARTMENT OF COMMERCE (REF C).

4. EMBASSY BELIEVES STRONG POSSIBILITY OF GOC/USG
MISUNDERSTANDING IS INHERENT IN THIS SITUATION. WE
ALSO BELIEVE SUCH MISUNDERSTANDING WOULD BE PARTICULARLY
UNFORTUNATE IN PRESENT PERIOD OF USG'S CONTINUING
REVIEW OF ITS CUBA POLICY.

5. THE CUBA PASSAGES OF SECRETARY KISSINGER'S MARCH 1
HOUSTON ADDRESS HAVE THUS FAR RECEIVED MAIN, PERHAPS
EXCLUSIVE, FOCUS OF CANADIAN MEDIA ATTENTION. TORONTO
GLOBE AND MAIL OF MARCH 3 HEADLINED ITS WASHINGTON
(REUTER) DATEDLINE ARTICLE, "KISSINGER BROACHES
POSSIBILITY OF NEW RELATIONSHIP WITH CUBA". MONTREAL
GAZETTE OF MARCH 3 HEADLINED WASHINGTON (CP-AP)
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OTTAWA 00813 052256Z

DATEDLINE ARTICLE, "KENNEDY PROMISES LEGISLATION TO
FOLLOW SHIFT IN CUBA POLICY". (BOTH ARTICLES EXTENSIVELY
QUOTED OR CITED SECRETARY'S CAVEATS AND QUALIFICATIONS.)
MONTREAL GAZETTE OF MARCH 4, AGAIN WITH WASHINGTON (CP)
DATELINE, CARRIED ARTICLE ENTITLED "END OF CUBA BAN
MAY STIFLE CANADIAN TRADE". THIS ARTICLE SAID, I.A.:
BEGIN VERBATIM TEXT....CUBA IS EMBARKING ON A
FIVE-YEAR PLAN WHICH COULD PROVIDE OPPORTUNITIES

FOR INCREASED TRADE IN MANY SECTORS AND CANADA
WANTS A PIECE OF THAT ACTION.
WITH THIS IN MIND, TRADE MINISTER ALASTAIR
GILLESPIE WILL LEAD A 20-MAN CANADIAN BUSINESS
DELEGATION TO CUBA MARCH 19-23.
IN ANY CASE, LIFTING OF THE EMBARGO IS NOT
EXPECTED TO COME QUICKLY. FIRST IT WOULD HAVE
TO WIN ACCEPTANCE AS AN AMENDMENT TO THE
ORGANIZATION OF AMERICAN STATES (OAS) CONSTITUTION,
BY A SIMPLE MAJORITY OF THE 23 VOTING MEMBERS.
THEN IT WOULD HAVE TO BE RATIFIED BY THE PARLIAMENTS
OF THE 23 COUNTRIES--BY A TWO-THIRDS MAJORITY.
OBSERVERS HERE FEEL THIS PROCEDURE COULD TAKE
THREE TO FIVE YEARS.
IN THE MEANTIME, SOME OFFICIALS BELIEVE CANADA
MAY COME TO FEEL THAT IF THE TRADING WITH THE
ENEMY ACT CONTINUES IN FORCE--KEEPING THE
U.S. OUT OF THE CUBAN MARKET--CANADA
MAY BE THE BENEFICIARY IN THE LONG RUN, NO MATTER
HOW MUCH THE ACT'S PROVISIONS MAY GALL.
END VERBATIM TEXT.

6. EMBASSY RECOMMENDS THAT STATE AND COMMERCE CALL
IN CANADIAN EMBASSY TO DISCUSS SUBJECT PROBLEM. WE
WOULD SUGGEST THAT MEYER OF COMMERCE, HOLTON OF
EUR/CAN AND WRIGHT OF EB/IT/EWT EXPLORE IT IN DEPTH
AT COUNSELOR LEVEL OF CANADIAN EMBASSY, AND ALSO
INCLUDE FIRST SECRETARY D.G. WADDELL IN INVITATION
TO CALL AT DEPARTMENT. (WADDELL HAS BEEN EVANS'
PRINCIPAL CANADIAN EMBASSY GO-BETWEEN WITH U.S.
DEPARTMENT OF COMMERCE.)
PORTER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REORGANIZATION, POLICIES, STRATEGIC TRADE CONTROLS, EXPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 MAR 1975
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OTTAWA00813
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750078-0180
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750380/aaaacujc.tel
Line Count: 146
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 OTTAWA 58, 75 STATE 32654
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAY 2003 by ElyME>; APPROVED <06 MAY 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CUBA TRADE: CHANGE IN ADMINISTRATION OF ITEM 9001 OF CANADA'S EXPORT CONTROL LIST
TAGS: ESTC, CA, CU, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006